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SENSITIVE
SIPDIS

EEB/TPP/ABT/BTT FOR JACK BOBO
EUR/CE FOR JAMIE LAMORE
GENEVA FOR USTR

E.O. 12958: N/A
TAGS: TBIO BTIO ECON ETRD SENV EAGR ENRG KGHG HU
SUBJECT: BIOTECH OUTREACH TO HUNGARY: VISIT OF JACK BOBO, MARCH 12-13, 2009

¶1. (SBU) Summary: DOS Senior Biotech Advisor Jack Bobo conducted biotech outreach to Hungary during his March 9-13 visit. Bobo attended the CODEX Alimentarius Meeting in Balatonalmadi March 9-11. He then proceeded to Budapest for briefings with FCS and American biotech firms Monsanto and Pioneer, followed by outreach meetings with the Ministry of Agriculture and the Parliament,s Agricultural Committee. Although the Hungarians show no signs of changing their minds anytime soon about the ban on biotech corn variety MON810 in Hungary, Bobo did have the opportunity to respond to the Hungarian arguments with U.S. views. The Ministry of Agriculture in particular appeared interested in future biotech crops for biofuels and drought resistance. A local business daily with a history of balanced reporting on agricultural biotechnology interviewed Bobo, and we expect the story will come out later this week. Although Post expects the Hungarian five-party consensus on the biotech corn ban will likely hold for the near term, we welcome continued measured outreach along the lines of the Bobo visit which we hope over the long term will wear away Hungarian resistance to biotechnology. End Summary.

USG AND U.S. PRIVATE SECTOR STRATEGY IN HUNGARY
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¶2. (SBU) On March 12, Senior Commercial Officer Patricia Gonzalez and the Hungarian representatives of American biotech firms Monsanto (Mihaly Czepo) and Pioneer (Jozsef Mate) briefed Bobo on the coordinated FCS-private sector strategy on agricultural biotech in Hungary. FCS, Monsanto and Pioneer explained that Hungary had banned biotech corn variety MON810 in 2005. Although the original basis for the ban was economic, Hungary subsequently has justified the ban based on assertions that the crops pose a risk to human health and biodiversity. The European Food Safety Authority (EFSA) has twice found that there is no scientific basis for the ban. However, the Hungarians have been very good at ignoring science that doesn,t support their view, and will only accept research conducted by the Hungarian Academy of Science,s Plant Production Institute. Monsanto and Pioneer indicated that this institute is politically biased, and its findings invariably reflect the Hungarian government,s negative view of biotechnology. Monsanto and Pioneer also lamented their inability to conduct field trials in Hungary. Gonzalez described recent FAS efforts to persuade Hungarian Parliamentarians to change their view on biotech through a visit to the U.S. to see our biotech facilities and farms using biotech crops. FAS Berlin also organized a farmer-to-farmer outreach trip to Hungary March 4-8, to conduct low-key, low-level outreach to potential GMO customers (FAS Berlin will report on this). So far, these

outreach efforts have not persuaded Hungary to change its policy. Monsanto, Pioneer and FCS concurred that the ban remains in place for political reasons, and, although they do not expect the ban to be lifted in the short term, they are continuing a sustained, modulated outreach plan in hopes of changing the policy over the long term. The two companies hope to ally with the Hungarian farmers, association which they hope will appreciate that, although MON810 corn targets the European corn-borer, which is not a significant plant pest in Hungary, future biotech varieties combating corn-rootworm, which has caused significant damage in recent years, could be extremely useful in Hungary.

MINISTRY OF AGRICULTURE: SOFTENING STANCE?

¶3. (SBU) On March 12, Bobo met State Secretary Zoltan Gogos and EU GMO Counselor Time Vertes of the Ministry of Agriculture. Although Gogos held to the usual Hungarian arguments in support of the biotech ban, he showed some openness to considering future crops that might benefit Hungary. Gogos said that a consensus of all five parties in the Hungarian parliament supports Hungary,s ban on production of biotech crops in Hungary. According to Gogos, this is one of the few issues on which there is a five-party consensus, and the Government has no intention of giving this up. Gogos cited Hungary,s economic interests and the lack of a significant corn-borer threat in the country as the reasons for the ban. He indicated that the Ministry is aware of biotech production trends, and that "GMOs are the future." He showed particular interest in potential biotech developments to improve drought resistance, heat tolerance,

and biofuel potential. Vertes told Bobo that the Ministry keeps up with the latest biotech research, and Hungarian scientists are active in this field in order to be well prepared "when the time comes."

PARLIAMENT FIRM IN THE FIVE-PARTY CONSENSUS

¶4. (SBU) On March 13, Bobo met with representatives of the Parliament,s Agricultural Committee, representing three of the five parties in the Parliament, including Istvan Jakab (Fidesz), Jozsef Angyan (Fidesz), Imre Herbaly (Socialist), and Andor Nagy (KDNDP, Christian Democrat). Angyan said Hungary saw research as a separate issue from trade and distribution, favoring government spending on the former but not the latter. He indicated that Hungary wants to consider each new biotech variety on a case-by-case basis. This would include consideration of health and environmental impacts, which Hungary feels have not yet been adequately examined. MON810, for example, is designed for resistance to the European corn-borer, which is not a significant problem in Hungary, and which Hungarians can address with other technology. Angyan asserted that the ban created an economic advantage for Hungary, since it allowed Hungary to market all of its grain as "GMO free" without a costly certificate process, to meet European consumers, demand for non-biotech products. Nagy, who had participated in a USG-sponsored biotech outreach trip to the U.S. for parliamentarians in the summer of 2008, indicated that, although the trip was very interesting and useful, it did not weaken the five-party consensus on the ban. Herbaly said that, as a former manger of a large farm, he believed biotech crops would inevitably come to Hungary, but that if the European public wanted "GMO-free" food, then Europe would benefit from a "GMO-free" region in the Carpathian basin, including Hungary and neighboring areas. Several of the parliamentarians said that Hungary would not debate the findings of research and science, and they envisioned the Ministry of Agriculture,s National Food Safety Office (MEBIH) conducting long-term studies to reach these conclusions.

¶5. (SBU) Although the group remained firm that Hungary would

not budge on the five-party consensus against biotech anytime soon, the meeting did give Bobo the opportunity to provide them with the USG responses to the Hungarian arguments. Bobo supported the view that biotech decisions be based on sound science, and agreed the matter would eventually be resolved in favor of biotech, although it might take many years. He noted that while economic factors are part of the case for biotechnology, food security, energy, and environmental issues are also part of the equation. Biotech is one avenue to address the need to find ways to produce more food on the current amount of arable land for the expected global population of 9 billion in 2050. Biotech crops can also help to address environmental issues like water shortages and droughts caused by climate changes. Bobo cautioned that, by maintaining the ban, Hungary risks losing out on the benefits from an entire generation of biotech crops. The ban on growing biotech crops of any kind in Hungary prevents researchers from conducting field trials and, therefore, discourages multinational research in Hungary that might otherwise lead to development of later- generation biotech crops which would be valuable to Hungarian farmers. Although the corn-borer, which MON810 was designed to combat, is not a significant problem in Hungary, corn-rootworm is, and crops that protect against this pest are already available in the U.S. Bobo also commented on the secondary impact disagreements between the U.S. and European countries have on developing countries that might benefit from biotechnology: seeing the U.S. and Europe unable to agree, they are unable to make a decision on biotechnology, and risk missing out on what could be important food sources for their people. On food safety, Bobo remarked that new crops developed through radiation or chemical mutagenesis are more different from their forebears than biotech crops, and scientists may not even know how the mutant crops differ genetically from the original, yet the mutant crops can be sold to European consumers without any food safety evaluation. He also noted that even MON810 can be sold legally in Hungary for food and feed uses - it is only the Hungarian farmers who cannot grow it.

PRESS COVERAGE

¶6. (U) Melinda Kiss, staff writer for important Hungarian business daily Napi Gazdasag, interviewed Bobo on March 13. Napi Gazdasag has published balanced articles on biotechnology, especially the MON810 corn that the Hungarian public is concerned about. The article should come out on March 20.

COMMENT

¶7. (SBU) Although we don,t expect any dramatic changes in the Hungarian position in the short term, we are hopeful that a steady stream of carefully orchestrated outreach of this type will eventually wear down Hungary,s resistance to lifting the biotech ban. End comment.

¶8. (U) Jack Bobo cleared this cable.
Foley